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Financing of the International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia since 1991

First performance report of the International Tribunal for the Former Yugoslavia for the biennium 2010-2011

Report of the Secretary-General

Summary

The first performance report of the International Tribunal for the Former Yugoslavia for the biennium 2010-2011 is submitted pursuant to General Assembly resolution 64/240. The report reflects a reduction in requirements of $18.2 million, net of staff assessment, from the initial appropriation for the biennium 2010-2011. The decrease includes changes with respect to exchange rates, inflation and standard salary costs. The Assembly is requested to approve a revised appropriation for the biennium 2010-2011 in the amount of $274,924,600 gross ($249,833,400 net), reflecting a decrease of $15,360,900 gross ($18,154,400 net).

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I. Introduction

1. The primary purpose of the first performance report is to identify adjustments required owing to variations in the rates of inflation and exchange and in the standards assumed in the calculation of the initial appropriations.

2. The net decrease in requirements of $18,154,400 for the International Tribunal for the Former Yugoslavia resulting from these technical adjustments is shown in tables 1 and 2 below. Table 1 reflects the changes by component and main determining factors, and table 2 reflects the changes by object of expenditure and main determining factors.

3. Explanations of the variations in the costing parameters assumed in the calculation of the initial appropriations are detailed in paragraphs 5 and 6 below. In addition, the annex to the report provides the budgetary assumptions used in the initial appropriations for the biennium 2010-2011 and the rates proposed in the present report.

Table 1
Summary of projected expenditures and income by component and main determining factors
(Thousands of United States dollars)

		Projected changes				
Component	*2010-2011 appropriation*[a]	*Exchange rate*	*Inflation*	*Standards*	*Total*	*Proposed revised appropriation*
A. Chambers	12 972.6	(117.6)	(973.0)	—	(1 090.6)	11 882.0
B. Office of the Prosecutor	60 620.0	(2 477.0)	(1 916.5)	(283.5)	(4 677.0)	55 943.0
C. Registry	212 853.3	(9 083.1)	(1 900.1)	1 467.4	(9 515.8)	203 337.5
D. Records management and archives	3 839.6	(175.9)	98.4	—	(77.5)	3 762.1
Total expenditure (gross)	**290 285.5**	**(11 853.6)**	**(4 691.2)**	**1 183.9**	**(15 360.9)**	**274 924.6**
Income						
Staff assessment	22 020.2	(456.0)	584.5	2 665.0	2 793.5	24 813.7
Other income	277.5	—	—	—	—	277.5
Total (net)	**267 987.8**	**(11 397.6)**	**(5 275.7)**	**(1 481.1)**	**(18 154.4)**	**249 833.4**

[a] As approved in resolution 64/240.

Table 2
Summary of projected expenditures by object of expenditure and main determining factors
(Thousands of United States dollars)

Component	*2010-2011 appropriation*[a]	*Projected changes*				*Proposed revised appropriation*
		Exchange rate	*Inflation*	*Standards*	*Total*	
Posts	130 465.6	(5 701.9)	(4 065.4)	(1 481.1)	(11 248.4)	119 217.2
Other staff costs	44 302.0	(2 064.9)	(800.9)	—	(2 865.8)	41 436.2
Non-staff compensation	12 791.4	(116.2)	(973.3)	—	(1 089.5)	11 701.9
Consultants and experts	808.4	(37.4)	5.9	—	(31.5)	776.9
Travel of staff	4 303.7	—	2.5	—	2.5	4 306.2
Contractual services	41 743.4	(1 927.7)	307.9	—	(1 619.8)	40 123.6
General operating expenses	27 168.9	(1 254.9)	200.5	—	(1 054.4)	26 114.5
Hospitality	16.8	(0.7)	0.1	—	(0.6)	16.2
Supplies and materials	1 888.7	(87.2)	13.8	—	(73.4)	1 815.3
Furniture and equipment	4 235.7	(195.1)	31.3	—	(163.8)	4 071.9
Improvement of premises	250.3	(11.6)	1.9	—	(9.7)	240.6
Grants and contributions	290.4	—	—	—	—	290.4
Staff assessment	22 020.2	(456.0)	584.5	2 665.0	2 793.5	24 813.7
Total (gross)	**290 285.5**	**(11 853.6)**	**(4 691.2)**	**1 183.9**	**(15 360.9)**	**274 924.6**
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[a] As approved in resolution 64/240.

II. Explanation of the changes in net requirements

4. The changes resulting from the main determining factors reflected in tables 1 and 2 would yield a decrease of $15,360,900 in expenditure requirements, for a total revised appropriation of $274,924,600 (gross). Details are set out below (in thousands of United States dollars):

Appropriation[a]	290 285.5	
Variations in budgetary assumptions		
Changes in exchange rates	(11 853.6)	Based on United Nations operational rates of exchange

Changes in inflation assumptions	(4 691.2)	Based on consumer price indices, post adjustment multipliers promulgated and actual versus budgeted cost-of-living adjustments
Adjustments to standard salary costs and common staff costs	1 183.9	Based on analysis of actual payroll data, vacancies, common staff costs, recommendations of the International Civil Service Commission and staff assessment provisions consequent upon consolidation of post adjustment
Revised total (gross)	**274 924.6**	

[a] As approved in resolution 64/240.

5. In the context of the current session of the General Assembly, the Secretary-General has issued revised estimates relating to the budget of the International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia since 1991 for the biennium 2010-2011 (see A/65/183). The related estimates amounting to $47,603,800 gross ($42,549,600 net) are being handled outside the first performance report but will be revised to reflect the costing parameters approved by the Assembly in the context of its consideration of the present report and, subject to the decision of the Assembly, will affect the level of the revised appropriation.

A. Changes in exchange rates

(Decrease: $11,853,600)

6. The basis for recosting can be either the average operational rates of exchange experienced thus far in the biennium (the averaging method) or the operational rates in effect at the time of recosting (the latest rate). It will be recalled that, in its report on the accounts of the United Nations for the biennium ended 31 December 1995 (A/51/5 (vol. I), chap. II, para. 110), the Board of Auditors recommended that budgetary assumptions relating to operational exchange rates be based on an averaging method instead of the latest available exchange rates. The Secretary-General had indicated that it would not be advisable to predetermine whether the averaging method or the latest month should be used for budget forecasting and recosting and that such a decision should be taken at the time of each recosting. This was reported to the General Assembly and agreed to by the Advisory Committee on Administrative and Budgetary Questions (see A/51/7/Add.1-9 and A/51/7/Add.6, para. 5), which indicated that the Secretary-General should use such rates as would allow for the lowest estimates.

7. In the present report, the exchange rate used for 2010 is the average of the actual rate realized from January to October and the October rate has been applied to November and December. For 2011, the average operational rates of exchange experienced thus far in the biennium (the averaging method) have been applied, so as to allow for the lowest estimate in respect of requirements in accordance with the

established methodology. Accordingly, the realized 2010 average of €0.753 to the dollar has been used for 2010 and 2011 in the performance report, compared with an assumption of €0.718 used in the initial appropriation. The resulting decrease in the amount of $11,853,600 reflects an overall weakening of the euro in 2010 compared to the budgeted rate (see figure below). Adjustments resulting from actual experience in 2011 would be implemented in the second performance report for the biennium 2010-2011.

Figure
Performance of the euro against the United States dollar: 2010

B. Changes in inflation assumptions

(Decrease: $4,691,200)

8. The revised projected inflation rates applied to all objects of expenditure in The Hague are based on post adjustment multipliers that have been promulgated by the International Civil Service Commission (ICSC) for staff in the Professional category and above for the period from January to October 2010 and projections based on the Commission's data and actual versus budgeted cost-of-living adjustments based on prevailing market conditions for the General Service and related categories. For non-post objects of expenditure, the projections are based on the latest information available on consumer price indices as derived from international affairs publications.

9. The decreased requirement under posts relates largely to reduced post adjustment multipliers applicable to posts in the professional and higher category. The decrease under other staff costs based on inflation rates relates to the one-time provisions in 2010 and 2011 for general temporary assistance for the continuation of some of the functions of the posts scheduled for abolition in 2009. In order to align the inflation adjustment for these provisions with that for posts, the latest standard

salary cost parameters applicable to posts have been applied to the provisions under general temporary assistance, which have resulted in reduced requirements. With regard to non-staff compensation, the decrease also relates to the latest post adjustment multipliers applicable to staff in the Professional category and above and to judges on the basis of General Assembly resolutions 61/262 and 64/231. This reduction under posts, other staff costs and non-staff compensation is partly offset by increased requirements under other objects of expenditure due to a higher inflation rate in 2010 than budgeted.

C. Adjustments to standard costs

(Increase: $1,183,900)

10. The increase of $1,183,900 results from the net effect of adjustments to standard salary costs, common staff costs and staff assessment rates. Revisions to standard salary costs for 2010 are based on the actual payroll averages experienced to date in the biennium, by category and level. For the present report, the Tribunal's monthly payroll averages from January to September 2010 were analysed for each category and level and compared with those used in the initial appropriation. Projections for 2011 are based on the trends experienced in 2010.

11. Common staff costs are budgeted as a percentage of net salaries for each duty station. Expenditures under common staff costs relate to allowances and benefits, appointments, transfers and separation of staff. Adjustment to common staff costs is based on the analysis of actual common staff costs for the Tribunal during the biennium 2008-2009 as well as the experience from January to September 2010 compared with those assumed in the initial appropriation. Recommendations of the International Civil Service Commission with regard to hazard pay and education grant were accommodated within these overall adjustments, consistent with the established practice in this regard.

III. Action to be taken by the General Assembly

12. **The General Assembly is requested:**

(a) **To take note of the present report;**

(b) **To approve an appropriation for the biennium 2010-2011 in the amount of $274,924,600 gross ($249,833,400 net), reflecting a decrease of $15,360,900 gross ($18,154,400 net).**

Annex

Budgetary assumptions: International Tribunal for the Former Yugoslavia for the biennium 2010-2011

Budget parameters	*Initial appropriation*		*Proposed estimates for the revised appropriation*	
	2010	*2011*	*2010*	*2011*
Rate of exchange[a]	0.718	0.718	0.753	0.753
Inflation rate (percentage)	0.30	1.00	1.10	1.00
Post adjustment multiplier (percentage)	72.50	72.50	50.73	52.00
Common staff costs rate (percentage)	40.24	40.24	36.15	36.15
Vacancy rates for continuing posts				
Professional category and above (percentage)	9.50	9.50	9.50	9.50
General Service and related categories (percentage)	7.90	7.90	7.90	7.90
Vacancy rates for new posts				
Professional category and above (percentage)	50.00	50.00	50.00	50.00
General Service and related categories (percentage)	40.00	40.00	40.00	40.00

[a] Euro to United States dollar.